

Wisconsin State Legislature

SENATE CHAIR
ALBERTA DARLING

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
ROBIN VOS

309 East, State Capitol
P.O. Box 8593
Madison, WI 53708-8953
Phone: (608) 266-9171

Joint Committee on Finance *100th ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: July 15, 2011

Re: DCF Report to JFC

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



wisconsin department of
children + families

201 East Washington Avenue, Room G200

P.O. Box 8916

Madison, WI 53708-8916

Governor Scott Walker
Secretary Eloise Anderson

Secretary's Office

July 15, 2011

Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

Honorable Robin Vos, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Darling and Representative Vos:

This letter provides the Department of Children and Families' July 2011 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity.

RECEIVED
JUL 15 2011

BY: *St. Finance*

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, June 2011

Expenditures related to fraud prevention and investigation: \$174,700

The above amount represents the June 2011 costs of the Child Care Fraud Detection and Investigation Unit, information technology programming costs, and an estimate of county expenditures from their DCF allocations for investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$45,400

The June 2011 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

Overpayment and/or restitution collected by DCF: \$260,335

In June 2011, DCF collected \$77,056 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$183,279 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are owed to DCF as a result of an administrative finding that an overpayment has occurred.

Overpayment and/or restitution collected by other agencies: \$0

No overpayments and/or restitution collections have been reported by other agencies in June 2011 to DCF.

T 608.266.8684 F 608.261.6972 dcf.wi.gov

Providers Suspended from the Wisconsin Shares Program, June 2011

During the month of June, DCF suspended payments to four child care providers. All four were from Milwaukee County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during June a total of \$178,035 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through June the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$7,733,399.

Automatic Authorization of Child Care Hours System

Number of changes made to authorized hours during the month: 1,350 changed authorizations

This figure reports the total number of active authorizations in June that were reduced by the automated system.

Total reduction made to the authorized hours during the month: 9,731 hours

This figure reports the total number of hours taken off of active authorizations in June that were reduced by the automated system.

Estimated savings in the month due to the automated authorization adjustment system: \$72,720

This is an estimate of the maximum potential savings for those active authorizations in June that were reduced by the automated system.

Were child care quality improvements identified via use of the new system? To date, no.

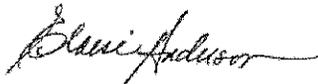
The system was launched on May 15, 2010 and was designed primarily to improve consistency in the authorization process rather than to identify opportunities for making quality improvements.

Estimated annualized ongoing costs to operate the automated system: \$50,000

The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Eloise Anderson
Secretary

cc: Mike Huebsch, Department of Administration
Bob Lang, Legislative Fiscal Bureau

**Wisconsin Shares Provider Suspensions
June 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Angel Gunn	Milwaukee	06/06/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The Department issued a Notice of Certification Revocation on 6/2/2011 revoking the provider's certification effective 5/24/2011.</p> <p>The Department has evidence that on 5/23/2011 from 5:15 PM - 6:40 PM ten (10) children were in care by two individuals the provider designated as "substitutes." However, neither substitute was certified or approved to be a substitute.</p> <p>The Department has evidence that on 5/23/2011 from 5:15 PM - 6:40 PM the provider was out of regulation as ten (10) children were present, seven (7) were signed in and three (3) were the provider's children. A certified provider may not care for more than six (6) children during this time.</p>	Yes	\$1,096.73	Yes	No

**Wisconsin Shares Provider Suspensions
June 2011**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

The Department has evidence that the provider subsequently billed the Wisconsin Shares subsidy program for the hours of care provided on 5/23/2011 between 5:15 PM and 6:40 PM even though the provider was not present, certified/approved staff was not present, and the provider was out of regulation as too many children were present according to the provider's certification.

**Wisconsin Shares Provider Suspensions
June 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Shaping Our Youth Development	Milwaukee	06/09/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to have attendance records available at the child care site when the Department requested to review them; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The Department has evidence that the provider was evicted from the child care facility during the end of January 2011 and continued billing the Wisconsin Shares program through the end of February despite not having access to the licensed child care facility. The provider was also unable to produce attendance records for the post-eviction care when requested by the Department. During an onsite visit on 5/9/2011, the provider was also unable to provide investigators with requested attendance records from 11/1/2010 through 4/1/2011.</p>	Yes	\$18,102.00	Yes	No

**Wisconsin Shares Provider Suspensions
June 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Creative Minds Learning Academy	Milwaukee	06/24/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to have attendance records available at the child care site when the department requested to review them; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>During an onsite visit on 6/1/2011, the provider was unable to provide investigators with requested transportation records the provider stated were used for billing from 12/1/2010 through 2/28/2011 and 5/1/2011 through 5/6/2011. The provider supplied the records on 6/2/2011, however the Department determined the records to be invalid as there were numerous inaccuracies between the transportation records, attendance records, and other evidence the Department obtained.</p>	Yes	\$62,155.51	Yes	No

**Wisconsin Shares Provider Suspensions
June 2011**

<p>The Department has evidence that the provider:</p> <ul style="list-style-type: none"> • Billed for children who did not appear on the attendance records, the Department identified 41 instances during the week of 5/2/2011. • Billed for more hours than children actually attended. • Billed for children with incomplete sign in or sign out times. • Billed for children who were not in attendance. 																																																								

**Wisconsin Shares Provider Suspensions
June 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Four-Ever Learning Child Care Ctr	Milwaukee	06/24/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The Department has evidence that the provider:</p> <ul style="list-style-type: none"> • Billed for children no longer attending the child care center, even after the parents stopped bringing their children to the child care center. • Billed for children never attending the child care center. • Billed for children who did not appear on the attendance records. • Billed for more hours than children actually attended. 	Yes	\$7,473.74	Yes	No